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C O N F I D E N T I A L MOSCOW 000547

SIPDIS

SIPDIS

DEPT FOR EUR/RUS, FOR EEB/ESC/IEC GALLOGLY AND WRIGHT  
EUR/CARC, SCA (GALLAGHER, SUMAR)  
DOE FOR HARBERT, HEGBORG, EKIMOFF  
DOC FOR 4231/IEP/EUR/JBROUGHER

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TAGS: [EPET](#) [ENRG](#) [ECON](#) [PREL](#) [RS](#)

SUBJECT: RUSSIA AND TURKEY ENERGY COOPERATION: "NOTHING  
NEW"

Classified By: Ambassador William J. Burns for Reasons 1.4 (b/d)

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SUMMARY  
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11. (C) The Turkish Embassy told us February 22nd that while Russia is interested in expanding gas supplies to and through Turkey, as well as participating more broadly in Turkey's energy sector, there were no breakthroughs on energy cooperation as a result of Turkish Foreign Minister Babacan's February 19-20 visit to Moscow. The Russian MFA reported the same view to us on February 26th. End summary.

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"NOTHING NEW"  
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12. (C) Turkish Embassy First Secretary Ahmet Tuta told us February 22nd that the February 19-20 visit of Turkish FM Babacan to Moscow resulted in "nothing new" on the energy front, despite various press headlines to the contrary. He said the visit was merely to reciprocate Russian FM Lavrov's 2006 visit to Turkey and to "follow up" on Putin's 2004 trip that resulted in an MOU between Gazprom and Turkey's BOTAS. Tuta explained that there have been and continue to be "ongoing negotiations" on expanding Russian gas exports to and through Turkey, but no breakthroughs have been reached recently. Tuta said Babacan's visit also included general discussions on Russian interest in buying into refineries and gas stations in Turkey, as well as on the proposed Samsun-Ceyhan oil pipeline. He added, however, that the Russian side seemed more interested in pursuing the Burgas-Alexandroupolis pipeline (BAP) than in Samsun-Ceyhan.

13. (C) Tuta said Russia is also interested in helping Turkey to develop nuclear power plants and would like to finalize an agreement on nuclear cooperation. Turkey is still mulling its options with regard to nuclear cooperation, including the proposed participation of U.S., Canadian, and French companies that are interested in doing business in Turkey.

14. (C) Russian MFA Southeast Europe section head Andrey Buravov echoed Tuta, telling us February 26th that the visit was largely to reciprocate for Lavrov's visit to Turkey. He said the visit was aimed at "strengthening political and economic ties," but could not point to any concrete results

from the meetings. Buravov simply noted the importance of the economic relationship, emphasizing relevant statistics -- two-way trade of between \$22 and \$28 billion (depending on whose statistics are used), total accumulated two-way FDI of \$10 billion, and 2.5 million Russian visits to Turkey last year.

BURNS